



WEST VIRGINIA PARKWAYS AUTHORITY

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Director of Human Resources

DAVID H. ROLLINS
Treasurer



December 10, 2012

West Virginia Parkways Authority
Post Office Box 1469
Charleston, West Virginia 25325

Dear Authority Members:

As required by the Indentures of Trust securing the West Virginia Parkways Authority (WVPA) Revenue Bonds, we are pleased to submit our 2012 Annual Report regarding the condition and operation of the West Virginia Turnpike during the 2011/2012 fiscal year. Our findings on the condition of the Turnpike, our recommendations concerning maintenance, operation and insurance requirements and our recommendations for deposits into the renewal and replacement account are summarized in this report. Findings and recommendations are based on field review, meetings with the Authority and participation in design projects throughout the Turnpike system.

The West Virginia Turnpike is an 88-mile, four-lane toll road between Princeton and Charleston, West Virginia. The Turnpike is the direct route south from the Great Lakes and regions of Canada. Portions of both Interstate 77 and Interstate 64 are carried on this route, which includes 18 interchanges and 116 bridges.

In 2006, Governor Joe Manchin III requested the Public Resources Advisory Group (PRAG) to conduct an independent financial review and analysis of the Authority to assist in the evaluation of the need for future toll increases and the relationship of toll increases to maintaining the Turnpike in a manner that provides a safe facility and an acceptable level of service to its users. This report was submitted February 5, 2007.

On April 12, 2007, the Authority adopted a resolution refocusing the Authority to its core and principal mission of maintenance and upkeep of the Turnpike. This required the elimination of all economic and development investments except for Tamarack.

In July 2009, after years of decreasing toll revenues and increased costs to repair, rehabilitate and reconstruct the Turnpike's aging bridges, roadways and facilities; the Authority voted to approve the first, across-the-board toll increase on the West Virginia Turnpike in 28 years.

On August 1, 2009, new toll rates went into effect increasing rates from \$1.25 to \$2.00 per passenger car. In 2010, Senate Bill 427 was enacted which again renamed and reorganized the West Virginia Parkways Authority. This bill gave the Parkways Authority the authorization to construct new toll road projects by issuing bonds secured with toll revenues; however, bonds sold for new toll road construction cannot be used for the West Virginia Turnpike pursuant to Section 17-16A-10(a) which states that "the Parkways Authority is authorized to provide by resolution for the issuance of parkway revenue bonds of the state for the purpose of paying all or any part of the



cost of one or more parkway projects: Provided, that this section shall not be construed as authorizing the issuance of parkway revenue bonds for the purpose of paying the cost of the West Virginia Turnpike. The aggregate amount of the West Virginia Turnpike's outstanding principal amount of bonds cannot exceed \$200 million. Toll revenues for the 2012 fiscal year were \$83.907 million compared to the 2011 fiscal year of \$81.960 million, an increase of \$1.947 million or 2.38%. During the 12 month period ended June 2012, passenger car transactions have increased 1.50% and commercial truck transactions have increased 2.55% since the prior fiscal year. Operating expenses net of depreciation for the 12 months ended June 2012 decreased 0.5% compared to the 12 months ended June 2011. Salt expenditures for 2012 were \$798,578 and calcium was \$8,091. We believe the Turnpike revenues under this new schedule of tolls are adequate to meet all needs of the Authority to maintain current debt service and provide sufficient liquidity levels while maintaining system assets and adequately funding capital needs.

The system wide upgrade of the WVPA toll collection system was successfully completed in 2012. The system includes cash and automated tolling via E-ZPass, replacing the previous system originally installed in late 1999 and early 2000.

All West Virginia citizens who participate in the E-ZPass non-commercial commuter pass program are able to deduct tolls from adjusted gross income up to \$1,200 per year on their state income tax return for taxable years beginning on or after January 1, 2007, (minimum amount eligible for deduction is \$25.00).

Authority personnel continue their excellent performances in both operation and maintenance activities. The Authority received the "Certificate of Excellence in Financial Reporting" from the Government Finance Officers Association of the United States and Canada for the 18th consecutive year. We sincerely appreciate the Authority's cooperation from its members and staff, as they continue to operate with a commitment to excellence.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "HNTB 2 Equity".

HNTB Corporation
Associate Vice President

cc: United Bank, Trustee (Attention: Kathy Smith)



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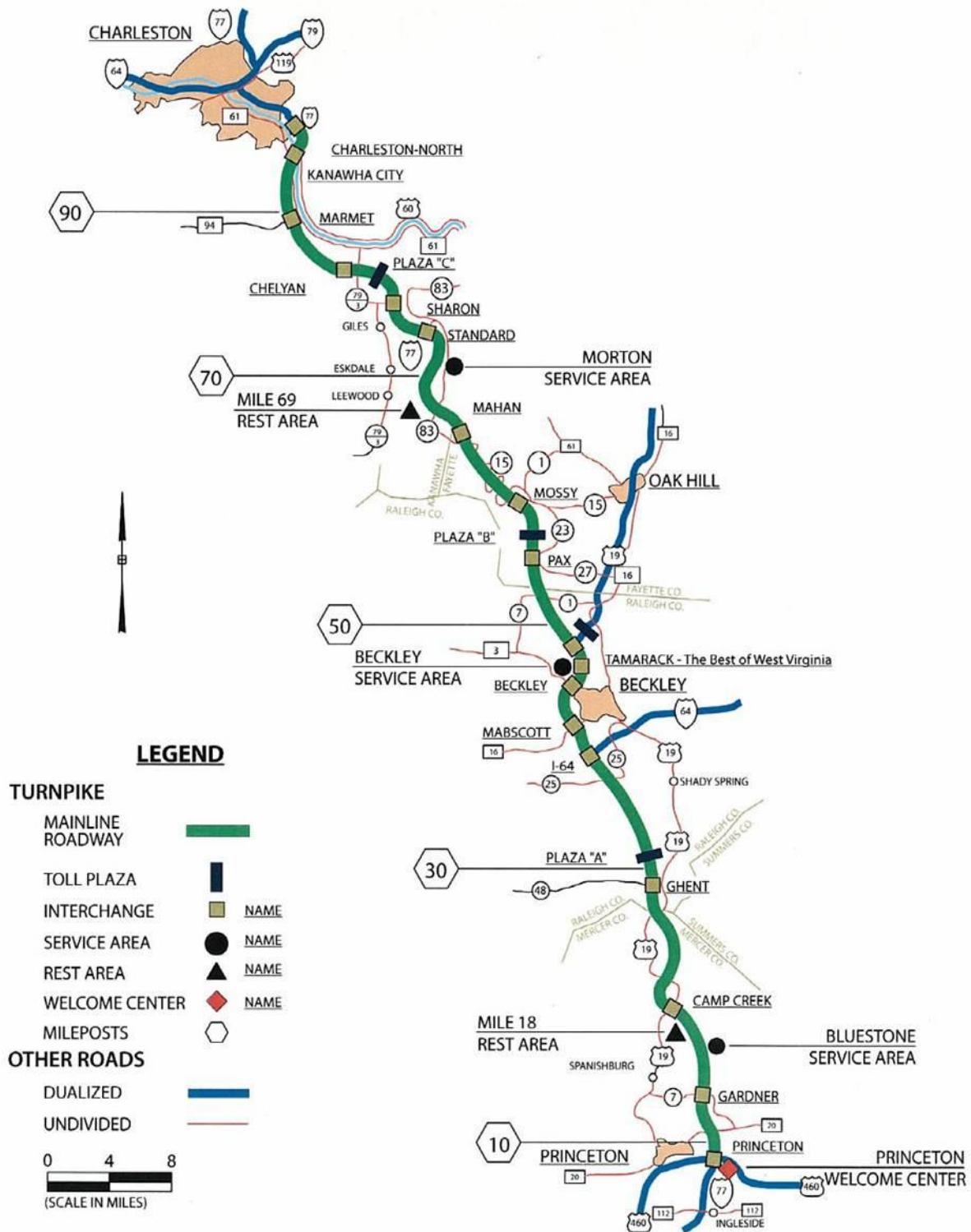


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SITE MAP





FISCAL YEAR 2012 ACCOMPLISHMENTS

INCIDENT MANAGEMENT PLAN

In April 2012, the Board approved the final Incident Management Plan which includes provisions for various detours in the event the Turnpike needs to be closed for any reason. When a detour is put into place, motorists will be assisted onto the detour via the use of overhead and portable message signs, traffic control, flaggers, police officers, media reports and the toll plaza personnel. As they are traveling on the detour route to reach their destination, the permanent detour signs will assure them that they are traveling in the right direction. These detour routes have to be able to accommodate tractor trailers and have amenities, such as food, gas and lodging. Since the snowstorm of December 18, 2009, other provisions to handle emergencies have been put into place on the Turnpike, with the assistance of the WV Division of Highways (DOH) and the Federal Highway Administration, such as new radio towers, median wall gates, dynamic overhead message boards, cameras and the integration of the Turnpike and DOH's Traffic Management Centers. A meeting was held on October 16, 2012 with stakeholders of the Plan, such as county offices of emergency services, Parkways, DOH and State Police. A more in-depth meeting was held on October 23 and 24, 2012 with the actual on-scene respondents from the Parkways and State Police to review the protocol for setting up detours. Lastly, an interagency meeting will be held with other agencies and emergency services providers such as fire departments, wrecker services, DOH, city and county police, etc.



STATE POLICE BUILDING

In March 2012, the Board approved funds to design a project for a new 2,200 square foot State Police detachment at Charleston South located near MacCorkle Avenue exit 95, Kanawha City. This new building will be used by State Police Troop 7 Parkways Division that serve the traveling public on the Turnpike. The existing building was constructed in the 1950's and it was impractical and cost prohibitive to rehabilitate. This building was demolished in August 2012. The contractor was given notice to proceed on September 27, 2012.

ENTERPRISE RESOURCE PLANNING

In June 2012, the Authority voted to participate in the State's Enterprise Resource Planning (ERP) project as an agency of the Department of Transportation. The ERP system is a server-based accounting system that will tie all state agencies in government together providing more efficient



accounting, management and transparency. This system will provide new software for employee payroll, purchasing, accounting, maintenance management, etc.

HIGHWAY AND BRIDGE REHABILITATION PROJECTS

Following the toll increase in 2009 and the increase in funds that followed, the WVPA began road and bridge rehabilitation projects on the West Virginia Turnpike such as full depth concrete repairs, asphalt pavement overlay, bridge deck overlay, bridge and facilities retrofit work, median barriers, retaining walls, buildings, toll plazas, culverts, and, pavement markings. These are much needed pavement, concrete and bridge rehabilitation projects for Kanawha, Fayette, Raleigh, and Mercer Counties. A ten year plan from 2009 to 2019 will use toll revenues of \$335 million for deferred maintenance and capital costs, including \$242 million for paving needs. Unfortunately, a construction season does not last all twelve months and there is only so much work that can be accomplished in a calendar year. Staff is working diligently to put toll revenues to work to address the pent up demand for highway, bridge and facility repairs. During 2010, patrons began to see significant improvements in pavement ride quality on sections of the Turnpike. Construction work for 2012 is currently underway with the majority of the work being performed in the Ghent, Beckley and Mahan areas (\$43 million in contracts will be awarded this year as well as completing punch-list items from last year's contracts). Following Memorial Day, the majority of all work was performed at night, Monday through Thursday from 6:00 p.m. to 6:00 a.m., in order to keep traffic delays at a minimum. Toll revenues are being used to fund capital highway and bridge projects as quickly as traffic on the Turnpike will allow.



16'9"x16'3" STEEL ARCH UNDERPASS EMERGENCY REPAIRS MILE 15.8

Appreciable deformation prompted HNTB to start monitoring a steel arch underpass in January of 2012. In May, it was decided to close off all vehicular access through the arch and retrofit it to ensure against total failure. Triton Construction braced the structure with Douglas Fir Beams. The estimated cost of construction was \$75,000. WVPA filled the tunnel with flowable concrete at a cost of \$108,000.





EMERGENCY REPAIRS BRIDGE 3074S

A tractor trailer accident on April 20, 2012 punched two appreciable holes in the left lane and damaged the median barrier. Triton Construction and WVPA section crews worked around the clock and had the lane reopened by April 23, 2012.



EMERGENCY REPAIRS AT BRIDGE 3074S



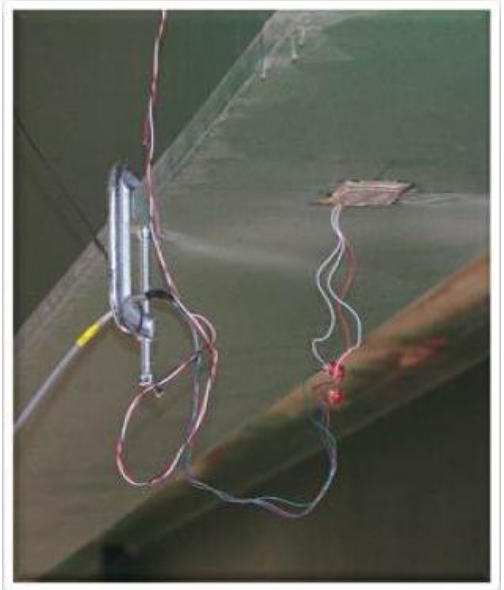


STRAIN GAUGE TESTING BRIDGE 3074S

The inventory load rating was 25 tons utilizing line girder analysis. Retrofit costs to increase the rating to 37 tons would have exceeded \$250,000. HNTB recommended strain gauge testing to determine actual loads present. In February 2012, Lehigh University, with assistance from WVPA and HNTB

personnel, installed strain gauges and performed diagnostic testing. The result concluded that the ratings could increase to 37 tons and alleviate annual inspection and/or retrofit.

STRAIN GAUGE TESTING AT BRIDGE 3074S





BRIDGE AND FACILITY RETROFIT CONTRACT BFR-1-12

BFR is a 3 year contract with 2 one-year renewals. For fiscal year 2012, the contract amount was \$1,111,000. A major portion of this contract's work is to prepare bridge decks for protective overlay and toll plaza pavement replacement. Triton Construction did the overlay prep work for four bridges, fabricated safety access ladders and installed a security fence at the north abutment of the Yeager Bridges, replaced the Bridge 3010S pier 3 railing, replaced concrete slabs at Mile 38, 67, 75 and at the Pax SB Toll Plaza, installed new bearings on Bridge 3059 and sealed/patched the Chelyan Toll Plaza concrete pavement.



YEAGER BRIDGE SECURITY



BRIDGE 3059 BEARING INSTALLATION



TOLL PLAZA PAVEMENT REPLACEMENT AND SEALING



BRIDGE DECK OVERLAY CONTRACT BDO-2-12

Poly-Carb applied epoxy overlays "Flexogrid" to three bridges (3074S, 3080N, and 3080S) in August 2011, at a cost of \$265,216. These overlays will reduce the ingress of harmful deicing chemicals, thus preserving the deck while also increasing motorist safety by increasing skid resistance in riding surface.



DECK PREPARATION

FLEXOGRID BEING APPLIED





REPAIR OF BRIDGES BY PNEUMATICALLY APPLIED MORTAR CONTRACT BSR-1-12

Air Placement Cement, Inc., repaired Bridges 3030N, 3030S, 3053, 3075S, 3085N, 3085S in July – October 2011 at a cost of \$189,722.





WEST VIRGINIA TURNPIKE BRIDGE PAINTING CONTRACT BP-1-12

This spot painting contract consisted of cleaning and painting steelwork in the salt affected areas (abutment and fascia) and applying protective coatings to concrete abutments and piers on six bridges. Specialty Groups Inc., was awarded the project in March 2012 with an estimated cost of \$940,459.



CREW PAINTING STEELWORK AT BLUESTONE NB





GHENT SALT SHED

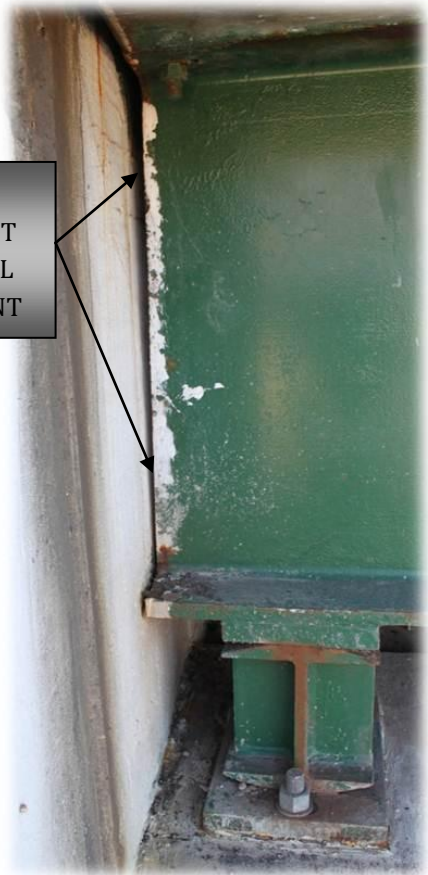
Construction of a new salt shed at Ghent Maintenance began in the spring of 2012 and was completed in late 2012 at a cost of \$278,564. This project also included repaving the entire lot at a cost of \$279,750.



MARMET BRIDGE MONITORING CONTRACT BAS-2-12

Apparent abutment backwall movement was detected during a routine bridge inspection on the Northbound bridge over WV 94 at the Marmet interchange (Exit 89). HNTB recommended monitoring the south abutment to determine if there is evidence of continued movement. The Parkways Authority agreed with the recommendation and approved a task order to monitor the abutment and surrounding area. HNTB contracted a surveyor and a geotechnical engineer to track benchmarks, document observations, and perform geotechnical analysis. The observation and analysis are ongoing, and will be summarized in a report by the Geotechnical Engineer, along with any recommendations of action, by the end of 2012. To date no significant movement has been detected.

NOTE:
ABUTMENT
BACKWALL
MOVEMENT





CULVERT RETROFIT AND CLEANING CONTRACT 1C-11 MILE 20.7

Teays River Construction Company retrofitted an existing 66 inch corrugated metal pipe near the Camp Creek exit. The existing culvert was deteriorated and allowing runoff to saturate the roadway fill. To correct the problem and retrofit the pipe to a structurally sound condition, a new grouted gutter was installed to direct flow to the new wing wall, and the remaining 480 linear feet of the original culvert was lined with a cure in place pipe (CIPP) liner to restore proper flow and structural integrity to the culvert. The construction cost was \$1.3 million.





TOLL COLLECTION SYSTEM

The system wide upgrade of the WVPA toll collection system was successfully completed in 2012. The system includes cash and automated tolling via E-ZPass, replacing the previous system originally installed in late 1999 and early 2000. In addition to accepting cash payments, the current system includes an electronic system that allows patrons equipped with E-ZPass transponders to pass non-stop through the toll plazas, which accounts for approximately 32.7% of toll transactions and collects 36.7% of toll revenue. An overhead antenna in each lane at each plaza reads the transponder and automatically identifies the vehicle for toll collection. A video enforcement system, in select lanes at toll plazas, photographs the vehicle and license plate of any vehicle that violates the toll collection system. The WVPA is currently an associate member of the E-ZPass Group along with multiple other toll agencies equipped with the E-ZPass system. This allows any vehicle equipped with a transponder to travel seamlessly without stopping throughout 14 eastern states, including 24 public transportation toll agencies where the E-ZPass standard is accepted. These states range from Illinois to the west, Virginia in the south and up to Maine in the north. The program overall includes over 13 million user accounts with over 22 million transponders in circulation and the collection of over \$5 billion in electronic toll revenues.

All toll plaza lanes accept E-ZPass. In addition to staffed and E-ZPass capability, the North Beckley Toll Plaza includes two lanes in each direction that provide the option to pay by coin via automatic coin machines when operated unstaffed with "EXACT CHANGE" signs displayed. The use of these lanes provides additional options for patrons and operational efficiencies for the WVPA. Advance signage advising of E-ZPass capability is presented along the roadways approaching the toll plazas to further communicate that all lanes are available for E-ZPass customers.

The WVPA currently operates with a nine-category toll classification system and rate structure, based upon number of axles and height, adopted originally in January 2000. This program also integrated the Parkways Authority Commuter Cards (PACC) discount program for high frequency passenger cars into the E-ZPass system.

On July 1, 2009 the West Virginia Parkways, Economic Development and Tourism Authority held a meeting at the Charleston Civic Center to give consideration and evaluation of public comments in connection with voting on the first across-the-board toll increase on the West Virginia Turnpike in 28 years. The Board voted to increase tolls for passenger cars from \$1.25 to \$2.00 for cash and non-WV E-ZPass customers. The commuter discount plan for high frequency users of the West Virginia Turnpike (formerly "PACC" or "PAC" Card Program) continued with no increase in fees.

A new discount program for the less frequent Turnpike traveler was also approved. Customers who drive the Turnpike occasionally can sign up for a WV E-ZPass at a cost of \$5.00 per year, then pre-pay funds via credit card into their account (\$20.00 minimum account balance). Rates for these customers only increased from \$1.25 to \$1.30 (a 35% savings). Toll is automatically deducted from the pre-paid account as they drive through the toll plazas. The WV E-ZPass is available to anyone, regardless of state or country of residence. Rates for all classes of commercial vehicles also increased; however, WV E-ZPass commercial account holder rates only increased to \$5.40 (a 20% savings), and the non-WV E-ZPass rate increased to \$5.87 (a 13% savings).



Temporary tandem toll booths continue to be available as a tool to relieve congestion during holiday periods as necessary at Toll Plazas A (Ghent), B (Pax) and C (Chelyan).

The WVPA's administrative headquarters continues to self-operate E-ZPass customer service and violation enforcement activities using upgraded computer systems as part of the completed conversion in 2012, replacing the system originally installed in 1999. The upgraded system significantly expanded the capabilities of the service center for improved service to WVPA customers including the addition of a website and electronic notifications. Continued activities with the new system include a walk-up counter for in-person customer services, phone-based services, storage and distribution of transponders, management and processing toll accounts and maintenance of the back-office system for computer data and hardware.

The upgrade of the WVPA toll system represented a significant effort over four years on the part of the Authority to responsibly and proactively replace an aging system that was reaching the limits of the projected useful life. Previous issues, including difficulty with obtaining spare parts and significant financial risks should the system fail, have been eliminated. The system successfully passed a series of rigorous acceptance tests in 2012 to demonstrate the required performance accuracy and has been in live operation since. The switchover from the previous system was controlled over a period of time to ensure minimal customer impacts. The Authority is now well positioned for long term operation of the toll collection system and providing state of the art services to customers.

TRAFFIC & REVENUE SUMMARY

On July 1, 2009, the Authority adopted a new toll and discount rate schedule that became effective August 1, 2009. The Authority's 2012 toll revenues exceeded those of the previous year by \$1.9 million or 2.4%. Total traffic transactions increased by 1.7% to 35.1 million with large, mainly commercial, trucks accounting for 31% of the increase. After declining from 2004 until 2008, 2012 passenger car traffic exceeded the record level that had been set in 2004. Commercial transactions, while much improved, are still over 12% lower than the 2006 peak. For the year ended June 30, 2011, total traffic remained flat, increasing just 0.3%. However, due to the full year the new toll rate schedule was in effect, compared to the schedule being in effect for 11 months during the prior year, toll revenues increased 2.6%.

For the year ended June 30, 2012, net capital assets increased \$3.8 million with capital improvements of \$36.7 million less depreciation expense of \$32.9 million. For the year ended June 30, 2011, capital assets decreased by \$5.7 million as the result of capital improvements of \$26.5 million that were offset by \$32.2 million of depreciation expense.

The original West Virginia Turnpike opened to traffic in 1954 and has grown from 2 million vehicles annually during the 1950s and 1960s to the record 35.4 million transactions during fiscal year 2004-2005. From 1955 through 1999, traffic volume was based on the number of vehicles. Beginning in 2000 when the new toll system became operational, traffic volume was based on the number of transactions. The designation of the Turnpike as part of the interstate highway system in conjunction with its upgrading and dualizing to interstate standards and the completion of connecting interstate highways that include I-64, I-77 and I-79 at the north terminus, I-64 near the



middle of the Turnpike and I-77 at the south terminus all led to dramatic traffic growth during the 1980s, which saw traffic double every five years. A sharp traffic increase also occurred after November 8, 1989, when toll collection was discontinued at 12 local interchanges, leading to heavy usage by local residents.

The average daily traffic counts, which correspond with the FY 2011 traffic counts, are listed by location in the following table.

To reflect the agency's new mission and reduce operating costs, the Authority has been proactive in implementing cost-saving measures. These measures include utilizing modern technology, utilizing the purchasing power created through the State of West Virginia's Purchasing Division and implementing organizational efficiencies throughout the past 10 years. The implementation of these and other cost-cutting measures have limited the growth rate of operating expenses during the past 10 years. However, increases in costs outside the WVPA's control, such as health insurance premiums, road salt and construction materials, are making it very difficult for the WVPA to implement any further substantial cost savings in operating expenses.

AVERAGE DAILY TRAFFIC (ADT) STATS LISTED SOUTH TO NORTH		
MILE MARKER	LOCATION	ADT
9-28	Princeton to Ghent	25,800
28-40	Ghent to I-64	24,000
40-42	I-64 to Mabscott	38,500
42-44	Mabscott to Harper Rd	41,000
44-48	Harper Rd to N. Beckley	40,800
48-60	N. Beckley to Mossy	27,000
60-74	Mossy to Standard	27,500
74-78	Standard to Sharon	27,500
78-85	Sharon to Chelyan	27,000
85-90	Chelyan to Marmet	34,000
90-95	Marmet to Kanawha City	36,000
95-96	Kanawha City to Belle	42,000

CAPITAL IMPROVEMENT PROJECTS

The capital improvement and facilities capital projects are the WVPA projects scheduled and budgeted in the five-year work program. The five-year program for facilities capital projects and the five-year program for repair/replacement and highway & bridge capital projects are detailed in the following tables. The itemized budget amounts are listed for 2013 through 2017.

MEMORIAL TUNNEL PROJECT

The WVPA, WVDOT and the Federal Highway Administration signed a 50 year lease with the West Virginia National Guard Adjutant General's office to use the Memorial Tunnel for a federal government test and training facility to support counter-terrorism and emergency response. A supplemental lease was signed for 6.785 additional acres that will be used for administration housing, parking and staging activities.



FIVE-YEAR PROGRAM FOR R&R AND CAPITAL - \$ THOUSANDS					
	2013	2014	2015	2016	2017
Bridge Painting	\$1,125	\$1,170	\$1,217	\$1,266	\$1,316
Bridge Deck Overlays	\$562	\$585	\$608	\$632	\$657
Bridge/Facilities Retrofit	\$1,405	\$1,461	\$1,520	\$1,508	\$1,644
Guardrail Replacement	\$216	\$225	\$234	\$243	\$253
Shotcrete Repairs	\$208	\$216	\$225	\$234	\$243
Slope Reconditioning	\$0	\$0	\$0	\$0	\$0
Culvert Repair/Replacement	\$1,360	\$1,040	\$1,082	\$1,125	\$1,170
Vehicle/Equipment Replacement	\$2,015	\$1,262	\$1,154	\$1,217	\$2,072
Facilities Renovation and Repair	\$1,060	\$1,102	\$1,146	\$1,192	\$1,240
Sign Replacement/Overlays	\$100	\$63	\$67	\$70	\$73
Roadway Lighting	\$50	\$52	\$55	\$58	\$60
Raised Pavement Markers	\$20	\$20	\$20	\$20	\$20
Pavement Striping and Markings	\$1,200	\$1,300	\$1,300	\$1,300	\$1,300
Full Depth Repairs/Undersealing	\$1,761	\$1,539	\$1,296	\$1,042	\$800
Drainage Pipe Rehabilitation	\$56	\$58	\$61	\$63	\$66
Safety Projects	\$50	\$52	\$54	\$56	\$58
Subtotals R&R	\$11,188	\$10,145	\$10,039	\$10,026	\$10,972
Paving	\$25,487	\$22,531	\$11,848	\$18,921	\$18,732
Facilities	\$1,825	\$2,375	\$2,425	*\$12,950	\$1,900
Subtotals Capital	\$27,312	\$24,906	\$14,273	\$31,871	\$20,632
Grand Totals	\$38,500	\$35,051	\$24,312	\$41,897	\$31,604

* Potential consolidation of Beckley Maintenance Facilities. Costs could be offset by sale of existing property for commercial use.

MAJOR PAVING NEEDS				
Direction	Milepost	Miles	Cost \$Million	Comments
NB	43.7 to 47.9	4.2	\$10.00	Complete
SB	46.8 to 42.0	4.8	\$10.00	Complete
SB	42.0 to 40.7	1.3	\$4.50	Complete
FY 2012 SB	35.0 to 30.2	4.8	\$15.00	Complete
FY 2012 SB	59.5 to 52.4	7.1	\$12.00	Complete
FY 2013 NB	66.0 to 76.0	10	\$19.00	Under Construction
FY 2014 SB	73.8 to 66.0	7.8	\$15.50	
FY 2015 NB	35.2 to 40.7	5.5	\$10.50	
FY 2016 NB	82.4 to 89.4	7	\$15.50	Raise median wall
FY 2017 SB	89.4 to 82.4	7	\$15.00	Right side retaining wall
FY 2018 NB	89.4 to 95.0	5.6	\$14.00	Raise median wall
FY 2019 SB	95.0 to 89.4	5.6	\$15.50	Right side retaining wall
Totals		70.7	\$156.50	<i>(calculated at today's cost)</i>
With truck lanes 147.6 lane miles				
Notes: 1. This program will overlay all existing concrete on the Turnpike as well as sections with thin overlays over PCC.				
2. Cost estimates are based on the following scope of work:				
	a. Concrete repairs where needed		e. Shoulders and ditches	
	b. 5" asphalt overlays		f. Guardrail	
	c. 8" asphalt overlays with break & seat in truck lanes		g. Retaining walls where noted	
	d. Drainage			



MAINTENANCE & SAFETY HIGHLIGHTS

Key activities of the WVPA's Maintenance Division include:

- Road and bridge safety improvement
- Resource deployment for continuing pothole problems
- Continued implementation of the Maintenance Management System (modern management approach to improve efficiency and to reduce overall asset life cycle costs)
- Snow Removal and Ice Control (SRIC) operational improvements

Recent equipment purchases include:

- Purchased salt brine maker for Ghent
- Installed hydraulic retrofit units to SRIC Trucks
- Purchased new mini-excavator

Highlights from Fiscal Year 2012 are listed below:

- Joint and Crack Sealing – 1,413,200 Linear Feet
- Patching – 2,389 Tons
- Shoulder Stabilization – 381,879 Linear Feet
- Deck Patching – 6,156 Square Feet
- Bridge Parapet Wall Coating – 24,076 Linear Feet
- Ditch and Channel – 71,082 Linear Feet
- Culvert and Drop Inlet – 15,247 Linear Feet
- Bench and Slope – 13,184 Linear Feet
- Sweeping – 584 Miles
- Litter Pickup and Disposal – 7,674 Bags
- Brush Cutting – 255 Acres
- Mowing – 2,647 Acres
- Annex 2 Building Project – 6,600 Man-hours
- Princeton Salt Building – 4,000 Man-hours
- Bridges Washed – 116 Structures
- Bridge Lanes Sealed – 77 Each
- Culverts Inspected – 282 Structures
- Roadside Delineators Installed – 2,831 Units
- Salt Used – 13,030 Tons
- Courtesy Patrol – 18,000 Man-hours
- Emergency Response – 2,340 Man-hours
- Parking Area Markings – 39,000 Linear Feet
- Roadway Lighting Maintenance – 2,700 Man-hours
- Roadway Signs Installed and/or Repaired – 735 Units





WVPA Maintenance continued with their bridge preservation efforts by applying skid resistant epoxy overlays to three bridge decks and shotblasted and sealed two bridge decks. This will prolong the service life of these decks while adding additional safety by increasing skid resistance. The toll plaza lanes at Ghent, Pax and North Beckley Barriers were all patched and sealed.

Standard Maintenance Mechanics Shop upstairs storage room platform was retrofitted due to it bearing directly on a waterline.



OLD PLATFORM



NEW PLATFORM



NEW STANDARD MAINTENANCE GARAGE

The WVPA showed an overall good score for the asphalt pavement target. The efforts to patch potholes were significantly increased continuing with last year's performance. Below is the Maintenance Performance Scorecard.

MAINTENANCE PERFORMANCE SCORECARD

	TARGET	ACTUAL
ROADWAY		
Asphalt Pavements	A	A
Concrete Pavements	B	C+
Sign	A	A+
Other Traffic Control	A	B+
Drainage Structures	A	B+
Bridges	A	B
Vegetation Control	B	B
Litter	B	C
FACILITIES		
Buildings-Public	A	C
Buildings-Other	B	C+
Cleanliness	A	B
Fire Extinguishers	A	C+
Grounds	B	C



INSURANCE

Section 7.10, Subsection (E) of the 1993 Indenture of Trust as supplemented for the West Virginia Parkways Authority states:

(E) The Authority will at all times cause to be maintained, to the extent reasonably obtainable, the following kinds and the following amounts of insurance, with such variations as shall reasonably be required to conform to applicable standard or customary insurance practice and subject to such exceptions and permissible deductions as are ordinarily required:

(a) Multi-risk insurance on the facilities of the system which are of an insurable nature and of the character usually insured by those operating similar facilities, covering direct physical loss or damage thereto from causes customarily insured against, in such amounts as the consulting engineer shall certify to be necessary or advisable to provide against such loss or damage and to protect the interest of the Authority and the bondholders;

(b) Use and occupancy insurance covering loss of system revenues by reason of necessary interruption, total or partial, in the use of facilities of the system, due to loss or damage to any such facility on which multi risk insurance is maintained as provided in this section, in such amount as the consulting engineer shall certify will provide income during the period of interruption, but in no event less than 12 months, in the event of the occurrence or any such loss or damage, equal to the amount of the loss of system revenues, computed on the basis of system revenues of the corresponding period during the preceding calendar year, or if such facility was not in operation during the preceding calendar year, then computed on the basis of the consulting engineer's estimate, attributable to such loss or damage;

(c) War risk insurance, if obtainable from the United States Government or any agency thereof, covering direct physical loss or damage, and loss of system revenues attributable thereto, on the facilities of the system which are insurable there under, in each case in the respective amount, as nearly practicable, provided under clauses (a) and (b) above;

HISTORICAL DATA PRIOR TO TURNPIKE DUALIZATION ACCIDENT AND FATALITY RATES PER HUNDRED MILLION MILES TRAVELED

YEAR	ACCIDENT RATE	ANNUAL FATALITIES	FATALITY RATE
1970	153	15	10.9
1971	178	17	11.7
1972	193	23	15.0
1973	149	11	6.2
1974	117	8	5.1
1975	114	23	13.2
1976	85	13	6.5
1977	100	24	11.0
1978	95	25	10.5
1979	115	28	11.8

FATALITY RATES PER HUNDRED MILLION MILES TRAVELED

YEAR	ANNUAL FATALITIES	FATALITY RATE
2000	12	1.3
2001	6	0.7
2002	9	1.0
2003	4	0.4
2004	15	1.6
2005	5	0.5
2006	6	0.6
2007	8	0.8
2008	7	0.8
2009	8	0.9
2010	4	0.4
2011	8	0.8
2012	8	0.8



(d) During the period of construction or reconstruction of any material portion of the facilities of the system, the Authority shall require contractors constructing any such portion of the facilities of the system to file bonds or undertakings for the full performance of such contracts, and under which all risk from any cause whatsoever, without any exception during the period of such construction, shall be assumed by such contractors; and

(e) Any additional or other insurance covering (i) loss or (ii) damage for which the Authority is or may become liable.

The Authority obtains insurance coverage for general liability, property damage, business interruption, errors and omissions and natural disasters through the West Virginia Board of Risk and Insurance Management. This board provides insurance for the State of West Virginia, local government entities and eligible non-profit organizations. Liability coverage provided to all these insured entities is limited to \$1,000,000 per occurrence with an annual aggregate coverage limit of \$22,000,000.

The Authority established a \$5 million self-insurance fund after losing the excess liability coverage from a private insurance company during 1986. In September 1992, the Authority obtained \$10 million excess liability coverage from a private insurance company. In view of this, the Authority's insurance consultant recommended that the self-insurance fund be reduced to \$1 million and be changed from liability exclusively to include other risk of loss such as pollution first party clean-up, pollution third party liability, condemnation, earthquake, earth shift, flood, etc., and be specifically designated as the Authority's percentage of contribution in the event of a disaster.

The Appendix contains copies of the consulting engineer's July 1, 2012, letter regarding recommendations for Multi-risk Insurance, in accordance with subparagraph (a) above, listing current values for bridges, and the consulting engineer's July 1, 2012, letter with recommendations for Use and Occupancy Insurance, in accordance with subparagraph (b) above, in the amount of \$84 million to remain in line with current toll revenues. All other insurance needs are determined by the Authority.



BRIDGE DECK JOINT REPAIRS

APPENDIX



TREE TRIMMING



July 1, 2012

Mr. Gregory C. Barr, General Manager
West Virginia Parkways Authority
P.O. Box 1469
Charleston, WV 25325

RE: Use and Occupancy Insurance

Dear Mr. Barr:

Section 7.10, Subsection (E) of the 1989 and 1993 Indentures of Trust state that Use and Occupancy Insurance shall be in such amounts as the Consulting Engineer shall certify will provide income during a period of interruption of up to 12 months for loss of system revenues due to damage to the system resulting in partial or total loss of revenues. This amount shall equal revenues during the corresponding period for the preceding year.

It is recommended that the Authority obtain Use and Occupancy Insurance coverage in the amount of \$84,000,000 (Eighty Four Million) for the 2012-2013 fiscal year. Toll revenues for the fiscal year 2011-2012 were \$83.907 million.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Randolph T. Epperly, Jr.", written over the typed name.

Randolph T. Epperly, Jr., P.E.
Associate Vice President

RTE/cak

cc: - United Bank, Trustee (Attention: Kathy Smith)
 - West Virginia State Board of Risk & Insurance Management
 (Attention: Dave Mason)
 - Shelley Clay, WVPA



July 1, 2012

Mr. Gregory C. Barr
General Manager
West Virginia Parkways Authority
P.O. Box 1469
Charleston, WV 25325

RE: Multi-Risk Insurance

Dear Mr. Barr:

Section 7.10, Subsection (E) of the 1989 and 1993 Indentures of Trust state that the Authority shall maintain Multi-Risk Insurance on the system facilities which are of an insurable nature and of the character usually insured by those operating similar facilities in such amounts as the Consulting Engineers shall certify to be necessary or advisable to provide against such loss or damage and to protect the interest of the Authority and the Bondholders.

It is recommended that Multi-Risk Insurance be carried on all bridges, equipment, vehicles and facilities at the Administration Building, Maintenance Areas, Rest Areas, Service Areas, Toll Plazas, Caperton Center, Welcome Center, and all other facilities owned and operated by the Authority, including all structures, furnishings and equipment.

The Authority engaged an insurance consultant in 1993 to review insurance coverage. The list of Authority buildings, structures and contents of buildings and structures has been revised and updated annually in accordance with the advice of the Authority's insurance consultant and our previous recommendations. It is recommended that this list be revised and updated to include all additions, deletions and current values.

The insurance consultant recommended that the bridges be insured for replacement costs. Attached is a list of those current costs that were calculated using "Engineering News Record" construction indices. The estimated 2012 replacement costs were determined by multiplying the bid price by the ratio of the construction cost index of 9376 to the cost index for the year that each bridge was bid.

Very truly yours,



Randolph T. Epperly, Jr., P.E.
Associate Vice President

RTE/cak

Attachments

cc: - United Bank, Trustee w/att.
 - (Attention: Kathy Smith)
 - West Virginia State Board of Risk & Insurance Management
 - w/att. (Attention: Dave Mason)
 - Shelley Clay, WVPA



WEST VIRGINIA PARKWAYS AUTHORITY

2012 BRIDGE REPLACEMENT COST

STRUCTURE NUMBER	YEAR BID	ENR INDEX	BID PRICE	REPLACEMENT COSTS (ROUNDED)
2144N	1980	3237	\$ 15,235,011	\$ 44,127,000
2144S	1952	569	\$ 2,419,297	\$ 39,864,000
3001N	1976	2401	\$ 311,298	\$ 1,216,000
3001S	1976	2401	\$ 316,803	\$ 1,238,000
3003N	1976	2401	\$ 287,596	\$ 1,130,000
3004S	1976	2401	\$ 306,888	\$ 1,199,000
3005N	1976	2401	\$ 649,641	\$ 2,537,000
3005S	1976	2401	\$ 565,379	\$ 2,208,000
3006	1976	2401	\$ 375,435	\$ 1,467,000
3007	1976	2401	\$ 372,640	\$ 1,456,000
3008N	1976	2401	\$ 256,237	\$ 1,010,000
3008S	1976	2401	\$ 268,094	\$ 1,050,000
3010N	1976	2401	\$ 7,966,577	\$ 31,109,000
3010S	1952	569	\$ 1,546,394	\$ 25,481,000
3012N	1976	2401	\$ 744,234	\$ 2,907,000
3012S	1976	2401	\$ 560,547	\$ 2,189,000
3017N	1976	2401	\$ 335,144	\$ 1,309,000
3018S	1976	2401	\$ 334,367	\$ 1,306,000
3019N	1976	2401	\$ 308,425	\$ 1,205,000
3019S	1976	2401	\$ 178,300	\$ 697,000
3020N	1976	2401	\$ 195,939	\$ 766,000
3020S	1976	2401	\$ 291,219	\$ 1,140,000
3021N	1976	2401	\$ 211,463	\$ 826,000
3021S	1976	2401	\$ 344,491	\$ 1,346,000
3022N	1976	2401	\$ 257,358	\$ 1,010,000
3022S	1976	2401	\$ 243,665	\$ 952,000
3026N	1983	4066	\$ 1,261,802	\$ 2,910,000
3026S	1983	4066	\$ 1,010,343	\$ 2,330,000
3029N	1983	4066	\$ 625,654	\$ 1,443,000
3029S	1983	4066	\$ 354,725	\$ 818,000



WEST VIRGINIA PARKWAYS AUTHORITY

2012 BRIDGE REPLACEMENT COST

STRUCTURE NUMBER	YEAR BID	ENR INDEX	BID PRICE	REPLACEMENT COSTS (ROUNDED)
3030N	1983	4066	\$ 822,446	\$ 1,897,000
3030S	1983	4066	\$ 1,566,506	\$ 3,613,000
3034N	1983	4066	\$ 1,008,408	\$ 2,326,000
3034S	1983	4066	\$ 1,038,557	\$ 2,395,000
3038N	1978	2776	\$ 349,604	\$ 1,181,000
3038S	1978	2776	\$ 565,705	\$ 1,911,000
3039E	1978	2776	\$ 354,302	\$ 1,197,000
3039W	1978	2776	\$ 354,302	\$ 1,197,000
3041N	1982	3825	\$ 505,662	\$ 1,240,000
3041S	1982	3825	\$ 495,378	\$ 1,215,000
3042	1982	3826	\$ 384,616	\$ 943,000
3043N	1982	3825	\$ 444,803	\$ 1,100,000
3043S	1982	3825	\$ 840,560	\$ 2,061,000
3044N	1982	3825	\$ 1,171,994	\$ 2,873,000
3044S	1982	3825	\$ 1,047,519	\$ 2,568,000
3045N	1982	3825	\$ 596,023	\$ 1,461,000
3045S	1982	3825	\$ 883,965	\$ 2,167,000
3046N	1981	3533	\$ 573,556	\$ 1,523,000
3046S	1981	3533	\$ 707,668	\$ 1,878,000
3048N	1981	3533	\$ 441,062	\$ 1,171,000
3048S	1981	3533	\$ 430,038	\$ 1,150,000
3050N	1981	3533	\$ 482,166	\$ 1,280,000
3050S	1981	3533	\$ 491,056	\$ 1,304,000
3051N	1982	3825	\$ 410,565	\$ 1,010,000
3051S	1982	3825	\$ 410,565	\$ 1,010,000
3053N	1982	3825	\$ 747,909	\$ 1,834,000
3053S	1982	3825	\$ 747,909	\$ 1,834,000
3055N	1979	3003	\$ 1,266,273	\$ 3,954,000
3055S	1979	3003	\$ 1,264,663	\$ 3,949,000
3056N	1979	3003	\$ 1,456,339	\$ 4,547,000
3056S	1979	3003	\$ 1,467,482	\$ 4,582,000
3057N	1979	3003	\$ 1,669,909	\$ 5,214,000



WEST VIRGINIA PARKWAYS AUTHORITY

2012 BRIDGE REPLACEMENT COST

STRUCTURE NUMBER	YEAR BID	ENR INDEX	BID PRICE	REPLACEMENT COSTS (ROUNDED)
3057S	1979	3003	\$ 1,467,837	\$ 4,583,000
3058N	1979	3003	\$ 2,590,444	\$ 8,088,000
3058S	1979	3003	\$ 2,539,317	\$ 7,928,000
3059N	1979	3003	\$ 1,310,193	\$ 4,091,000
3059S	1979	3003	\$ 954,601	\$ 2,981,000
3060N	1979	3003	\$ 1,366,315	\$ 4,266,000
3060S	1979	3003	\$ 1,344,010	\$ 4,197,000
3061	1979	3003	\$ 610,330	\$ 1,906,000
3063N	1979	3003	\$ 538,107	\$ 1,680,000
3063S	1979	3003	\$ 535,374	\$ 1,672,000
3065N	1979	3003	\$ 1,445,790	\$ 4,514,000
3065S	1979	3003	\$ 1,445,790	\$ 4,514,000
3066	1979	3003	\$ 576,917	\$ 1,802,000
3067N	1979	3003	\$ 2,256,259	\$ 7,045,000
3067S	1979	3003	\$ 2,256,259	\$ 7,045,000
3070N	1983	4066	\$ 528,737	\$ 1,220,000
3070S	1983	4066	\$ 528,737	\$ 1,220,000
3072N	1983	4066	\$ 717,000	\$ 1,654,000
3072S	1983	4066	\$ 717,000	\$ 1,654,000
3073N	1980	3237	\$ 981,507	\$ 2,843,000
3073S	1980	3237	\$ 981,507	\$ 2,843,000
3074N	1980	3237	\$ 1,110,269	\$ 3,216,000
3074S	1980	3237	\$ 1,110,269	\$ 3,216,000
3075N	1980	3237	\$ 1,930,130	\$ 5,591,000
3075S	1980	3237	\$ 1,930,130	\$ 5,591,000
3076N	1978	2776	\$ 1,036,302	\$ 3,500,000
3076S	1978	2776	\$ 1,036,302	\$ 3,500,000
3077	1978	2776	\$ 708,758	\$ 2,394,000
3078	1978	2776	\$ 448,257	\$ 1,514,000
3080N	1978	2776	\$ 635,890	\$ 2,150,000



WEST VIRGINIA PARKWAYS AUTHORITY

2012 BRIDGE REPLACEMENT COST

STRUCTURE NUMBER	YEAR BID	ENR INDEX	BID PRICE	REPLACEMENT COSTS (ROUNDED)
3080S	1978	2776	\$ 635,890	\$ 2,148,000
3081N	1980	3237	\$ 399,901	\$ 1,159,000
3081S	1980	3237	\$ 399,901	\$ 1,159,000
3082N	1980	3237	\$ 2,687,208	\$ 7,784,000
3082S	1980	3237	\$ 2,687,208	\$ 7,784,000
3083N	1980	3237	\$ 336,301	\$ 975,000
3083S	1980	3237	\$ 336,301	\$ 975,000
3084N	1980	3237	\$ 821,754	\$ 2,381,000
3084S	1980	3237	\$ 821,754	\$ 2,381,000
3085N	1981	3533	\$ 503,608	\$ 1,337,000
3085S	1981	3533	\$ 503,608	\$ 1,337,000
3086N	1981	3533	\$ 602,286	\$ 1,599,000
3086S	1981	3533	\$ 602,286	\$ 1,599,000
3087N	1980	3237	\$ 990,712	\$ 2,870,000
3087S	1980	3237	\$ 990,712	\$ 2,870,000
3088	1980	3237	\$ 157,856	\$ 458,000
3235E	1981	3533	\$ 385,112	\$ 1,030,000
3235W	1981	3533	\$ 385,112	\$ 1,030,000
3271	1983	4066	\$ 1,213,000	\$ 2,797,000
3272	1983	4066	\$ 1,044,771	\$ 2,410,000
3273	1983	4066	\$ 1,142,945	\$ 2,636,000
3276	1983	4066	\$ 487,747	\$ 1,130,000
4172	1995	5506	\$ 1,328,831	\$ 2,263,000
4178	1995	5506	\$ 814,289	\$ 1,387,000